

December 3, 2004

TO: ALL PARTICIPANTS OF THE SAN DIEGO ELECTRICAL PENSION TRUST

FROM: Ken Stuart, Administrative Manager

RE: Summary of Material Modifications/Plan Amendments

The following Plan Amendments have been passed by the Board of Trustees:

1. **Post-retirement hours/contributions** - Effective **January 1, 2005** employer contributions for all post-retirement hours worked outside of the jurisdiction of Local 569 that are returned to the San Diego Electrical Pension Trust via the International Reciprocal Agreement will automatically be transferred to an account in the participant's name with the San Diego Electrical Annuity Plan. In other words, any Retiree working for a signatory employer as permitted by the Pension Plan (i.e., less than 40 hours per month in California or unlimited hours outside of California) who authorizes their hours and corresponding contributions to be transferred to the San Diego Electrical Pension Trust via reciprocity will receive credit for all such contributions in the San Diego Electrical Annuity Plan shortly after the month in which the hours have been processed by the Trust Office.

2. **Disability Retirement** - Effective with pension benefit applications received on or after **January 1, 2005** the Pension Plan's criteria to qualify for "Disability Retirement" has been modified by amending Article III, Section 3 of the Plan by eliminating the minimum requirement of at least 10 Vesting and/or Related (Pro Rata Reciprocity) Credits and retaining the alternative of accruing at least 5 Vesting or Related Credits provided two Vesting Credits were based upon hours worked within the jurisdiction of Local 569 within the two Plan Years (October 1st-September 30th) immediately preceding the established onset of their disability.

You should also be aware that to qualify for Disability Retirement the participant must not only meet the above and other criteria noted in Article III, Section 3, but must be deemed to have received a Disability Award from the Social Security Administration or a 70% or greater disability rating in relation to a Workers' Compensation award.

3. **Converting Disability to Normal Retirement** - Under the Plan, when a participant who has been receiving disability retirement benefits (payable at the same unreduced normal retirement amount as if they were age 65) turns age 65 it has been standard administrative procedure to convert their "Type" of pension from disability retirement to normal retirement. This routinely had not resulted in any change in benefit amount.

Please note that effective with all applications for disability retirement received on or after **January 1, 2005**, and in compliance with the Internal Revenue code, when a disability retirement recipient turns age 65 their starting monthly benefit amount used to calculate their original benefit options will be reduced by \$1 and the amount of their prior monthly benefit will be adjusted accordingly and paid as a normal retirement benefit under the same option originally chosen with their disability benefit.

Please address any and all questions you may have to any of the above modifications or Plan changes to the Trust Office (x-310).

Thank you.